



Financial Support for Social Enterprises

19/20

ANNUAL REPORT

BIG ISSUE INVEST

SOCIAL ENTERPRISE

INVESTMENT

FUND I

[www.bigissueinvest.com](http://www.bigissueinvest.com)



# THE BIG ISSUE

INVEST

## MISSION

“

**Building a world that works for everyone.**

Challenging, innovating and creating self-help and sustainable business solutions, that dismantle poverty now and for future generations.

”



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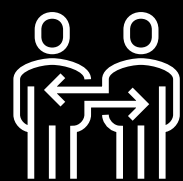
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# the big values.



## Working Together:

We care for each other and work best as one team. We bring the best of ourselves to work and support one another to realise our potential.



## Doing the right thing:

We do the right thing. We take risk seriously and manage it prudently. We prize fairness and diversity and exercise judgement with thought and integrity.



## Serving Customers:

We exist to serve customers. We earn their trust by focusing on their needs and delivering excellent service.



## Thinking Long Term:

We know we succeed only when our customers and communities succeed. We do business in an open, direct and sustainable way.

## IMPACT PRINCIPLES OF BII



### Authentic:

We want the voice of our investees to come through in how we talk about impact. This means ensuring we have first hand data from the investees and developing an approach to authentication to ensure we understand the data & information we receive.



### Accountable:

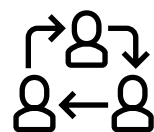
Our most honest feedback comes from our customers. This may be a vendor of the magazine or an investee. Therefore, we will aim to integrate customer and community feedback through.



### Pragmatic:

We want to promote the social impact of our investees while being pragmatic about contribution to that impact.

This means being realistic in estimating the additional social impact that was delivered due to our investment. We will achieve this by estimating what would have happened without us.



### Proportionate:

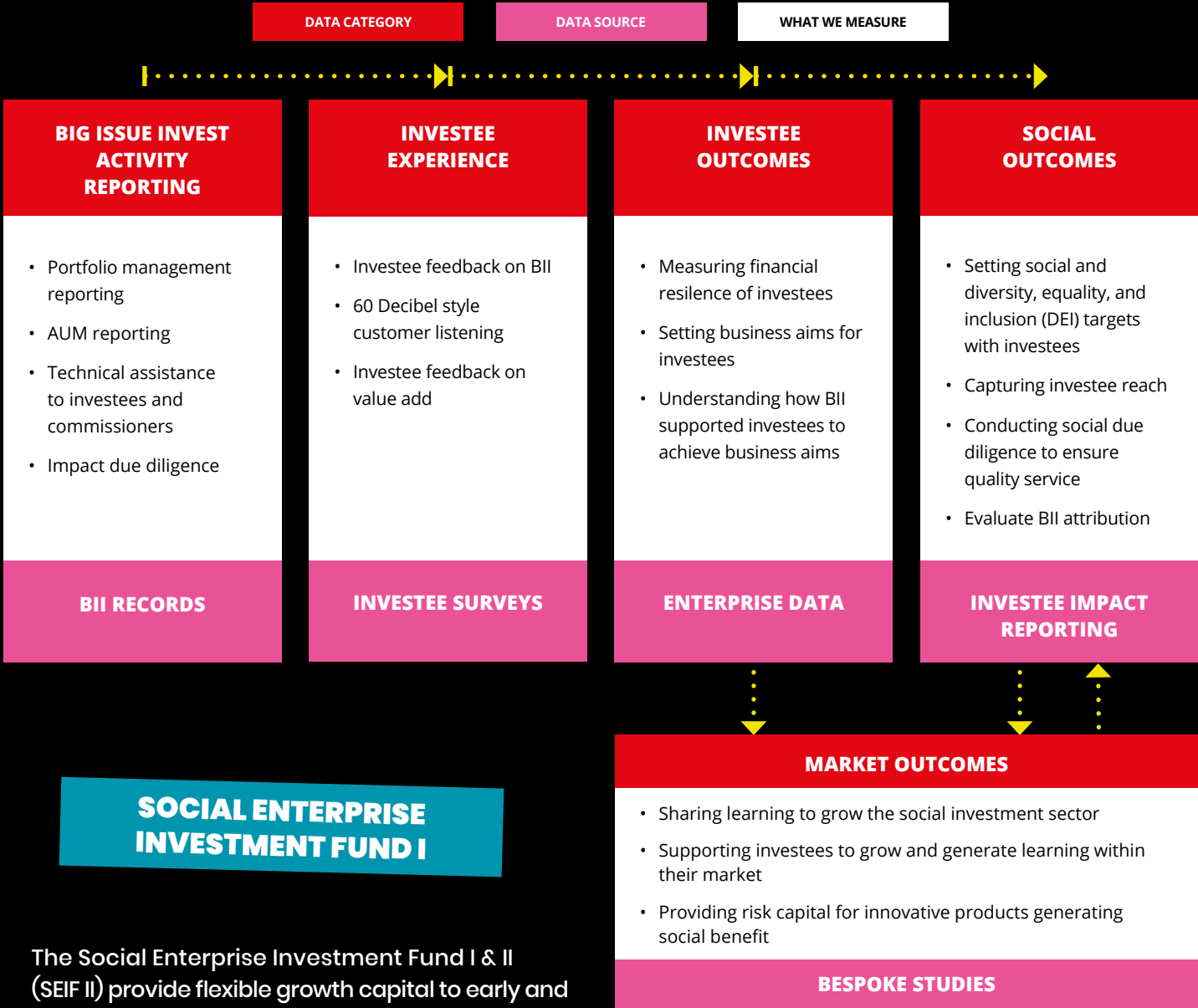
We should only ask for essential data to be reported at reasonable frequency.



### Value exchange:

We have the capacity to support investees to improve their approach to social impact management. If they improve, we learn more.

## THEORY OF CHANGE: SOCIAL ENTERPRISE INVESTMENT FUND I



## SOCIAL ENTERPRISE INVESTMENT FUND I

The Social Enterprise Investment Fund I & II (SEIF II) provide flexible growth capital to early and later-stage social sector organisations with the potential for growth. The fund provide debt and equity investment products between £250,000 and £3 million to organisations across the UK.

The newest investment into SEIF II for the 2019/20 year was into St Helena Hospice in September 2019, making £1.5 million of working capital available to expand their lottery business and bring in new funding for their charitable partners. The aim of SEIF I as a fund is to provide social or environmental impact organisations with flexible and patient medium term growth capital to support them to achieve their enterprise and social impact aims.

In addition to providing capital to social purpose organisations, our investment team provides technical assistance support, including board representation, business strategy development, and impact management support, to facilitate the development and growth of the investee businesses and social aims.

A full social due diligence for the fund exists to ensure investments are in line with BII's social mission, and organisations seeking investment are questioned to ensure they are not acting in an environmentally irresponsible manner as part of this diligence.



# the big introduction.

# A LETTER

# FROM THE

# DIRECTOR

**General Partner's Report for the year ended 31 March 2020**

**This has been another successful year for Big Issue Invest Social Enterprise Investment Fund L.P. ("SEIF I"), Big Issue Invest's first social investment fund.**

The Fund is fully invested with £9.2 million of investor capital. This capital has been used to support 21 remarkable social enterprises across the UK which, in turn, are helping support over 550,000 beneficiaries with much needed services and products. This pioneering fund continues to lead the way in showing how investing in social businesses can deliver both financial and social returns.

With the investment period closed, no further capital disbursements were scheduled or have occurred in 2019/20 from SEIF I, leaving the total amount disbursed by the Fund since inception at £8.73 million.

We continued to see full repayments of investments, Co-Wheels was received in April 2019 and the final repayment from the last 'Fair Chance Fund' investment, Liverpool & Knowsley was received in August 2019.

As at 31 March 2020, the Fund has returned £6.3 million (69%) of original committed capital to investors in the form of capital and income distributions. The Fund continues to make periodic distributions of capital to investors, having returned almost £500,000 in the year ended 31 March 2020 and over £5.8m since inception. The fund made its fourth annual income distribution this year of £65,500 bringing the income distributions made to date to £465,000.

I am pleased to report that with the success of SEIF I combined with its successor fund Big Issue Invest Social Enterprise Fund II LP and the Big Issue

Invest Outcomes Investment Fund LP, Big Issue Invest Fund Management Limited ("BII FM") is now managing £36 million (including uncalled capital) as of 31st March 2020.

Within the SEIF I portfolio we have two investees which have not been performing as expected and have therefore been impaired: Herefordshire Mind and HCT. Whilst on Herefordshire Mind we have maintained an interest impairment, we have taken the prudent approach to impair the full amount for HCT and we are hoping to release the impairments in parts or as a whole once we have more comfort on recoverability.

This continued success and growth has given both BII FM, and the wider UK social investment market, a solid springboard for continued expansion of both the supply of, and investor demand for, investment products which offer both a financial return and positive social impact. While we are pleased with this progress we are also acutely aware that there is still much work to be done to mainstream impact investing in the UK. SEIF I was at the cutting edge of impact investing. In some ways, it remains there. The easier asset classes, of secured asset backed investments are there for investors to take up. SEIF I's high impact portfolio stands out for returning capital to investors, while not sacrificing impact.

The financial year ending 31 March 2020 has ended during the impact that Covid had on the fund and society. The investment period of the fund ended in June 2016 and the fund life expires in June 2023.

The General Partner considers that although the COVID-19 outbreak is likely to have an impact on the underlying activities of the fund's portfolio companies and in the year ended 31 March 2020 has resulted in an impairment of £358,677 for the fund which we are hoping to release as soon as we understand better any recoverability. However, the impact on the fund's activities is likely to be minimal as its major cash flows are within the fund's control (namely new investments and distributions) or are reasonably predictable (namely the operating expenses). The fund incurs minimal ongoing operating expenses and there is sufficient cash as of the date of signing these financial statements to cover these ongoing costs, including the annual priority profit share, for a period of at least twelve months. Based on our review of the cash flows, the financial statements have been prepared on a going concern basis.

I would like to thank the members of the Investment Advisory Committee, our Fund administration team at NCM Fund Services, the investment team at Big Issue Invest, our Non-Executive Director appointees and, of course, the hard working and innovative social entrepreneurs of our investees and their teams for all their achievements during the period.

**Danyal Sattar**

**Director and CEO of BII**



# 10 YEAR ANNIVERSARY

Big Issue Invest Fund Management is celebrating our 10-year anniversary since the launch of the original Social Enterprise Investment Fund I (“SEIF I”) in 2010. This has been an incredible 10 years for Fund Management launching three funds and investing into almost 50 social purpose organisations creating social impact in 9 different impact areas across the UK.

“ Since the original investors enabled us to launch our first fund in 2010 with just £3 million we have come a long way raising over £40 million in commitments, and invested almost £25 million into inspiring social purpose organisations to help them grow and deliver impactful services. Big Issue Invest Fund Management have developed our impact approach and investment support processes since the initial investments, and we are looking forward to the next decade of social impact investing.

Lars Hagelmann, Head of Fund Operations and Portfolio Management ”



STATUS OF FUNDS AS OF MARCH 2020	SEIF I (closed)	SEIF I	OIF
	68% repaid	58% committed	51% committed

Total capital returned to the funds | Mar-20 | £8.2 million

## IMPACT AREAS WE OPERATE IN:

1. employment, training and education, particularly for individuals from low-income families and communities;
2. income and financial inclusion;
3. mental health and wellbeing;
4. housing and local facilities, including tackling homelessness;
5. physical health, particularly for the elderly and disabled;
6. family, friends and relationships;
7. citizenship and community, including community and sustainable transport;
8. arts, heritage, sports and faith; and
9. conservation of the natural environment.

10 YEARS OF FUND MANAGEMENT:	DATE	VALUE
Launch of FM's first fund: Initial funds raised by the Social Enterprise Investment Fund I	JUN-10	£2.9 million
First Investment from SEIF I: Hackney Community Transport (HCT)	NOV-10	£500,000
Total funds raised by SEIF I	2010-2013	£9.2 million
SEIF I funds fully committed	2014	£8.7 million
First repayment to SEIF I LPs	JUL-14	
Launch of FM's second fund: the Social Enterprise Investment Fund II	OCT-15	£23.8 million
First Investment from SEIF II: Mental Health and Employment Partnership (MHEP)	OCT-15	£400,000
Total funds raised by SEIF II	2015-2017	£23.8 million
Launch of the Outcomes Investment Fund Sole Investor: Big Society Capital	MAY-17	£10 million
First Investment from OIF: Street Impact London	OCT-17	£125,000
Total no. funds managed by BII (Total assets under management over 10 years period)	3	£43 million
Total no. investors into Fund Management	MAR-20	25
Total value of funds raised to date	MAR-20	£43 million
Total value of invested capital	MAR-20	£24.8 million
Total value of committed capital	MAR-20	£28.8 million
Total no. of investments	MAR-20	49
Fund and investee prizes	Shortlisted investment of the year St Helena 2019; Smile Together Winner of UK Social Enterprise Awards 2019 "Social Investment Deal of the Year" with Resonance and Big Issue Invest; Shortlisted Social investment deal of the year 2019 with Mental Health and Employment Partnership and Social Finance; Social investment deal of the year winner 2018 Hackney Community Transport ("HCT"); Cornerstone Community Care shortlisted for the UK Social Enterprise Awards social investment deal of the year 2017	
Total reach (estimated number of people who have been supported by our investees)	Approx figure: 2.3 million people	

## The First Investment was:



Name: HCT Group Ltd  
Value: £500,000  
Date of investment: Nov-10  
Date of repayment: Dec-15  
Return: 9.64% IRR 1.54 MM

### Impact

HCT Group is a London-based social enterprise who deliver approximately 230,000 individual passenger journeys each year, as well as a range of other services to disadvantaged individuals.

## TYPE OF INVESTORS INTO SEIF I

Private Individuals  
37%

Institutional Investors  
21%

Trusts and Foundations  
42%

## TYPE OF INVESTORS INTO SEIF I

Private Individuals  
9%

Institutional Investors  
27%

Trusts and Foundations  
64%

**Jun-10**  
Launch of  
the Social  
Enterprise  
Investment  
Fund I



**Jan-14**  
**Goodwill  
Solutions**  
**£125,000**

**May-14**  
**London  
Early Years  
Foundation**  
**£625,000**

**Jun-14**  
**Co-wheels**  
**£160,000**

**Mar-15**  
*Capital  
disbursed  
to investors*  
**£350,000**

**Mar-15**  
**HCT Group**  
*2nd investment*  
**£1,075,000**

**Jun-15**  
*Capital  
disbursed  
to investors*  
**£48,719**

**Jun-15**  
**Sheffield  
Futures**  
**£350,000**

# INVESTMENT TIMELINE SOCIAL ENTERPRISE INVESTMENT FUND I

**Mar-19**  
*Profit disbursed  
to investors*  
**£84,635**



**2010** **2011** **2012** **2013** **2014** **2015** **2016** **2017** **2018** **2019** **2020**

<b>Nov-10</b> <b>HCT Group</b> <i>1st investment</i> <b>£500,000</b>	<b>Mar-11</b> <b>Cool2Care</b> <b>£100,000</b>	<b>Jan-12</b> <b>4Children</b> <b>£500,000</b>	<b>Mar-13</b> <b>SCA</b> <b>£250,000</b>	<b>Jul-14</b> <i>Capital disbursed to investors</i> <b>£927,577</b>	<b>Jul-15</b> <i>Capital disbursed to investors</i> <b>£121,528</b>	<b>Jul-16</b> <i>Capital disbursed to investors</i> <b>£60,602</b>	<b>Jan-17</b> <i>Capital disbursed to investors</i> <b>£65,963</b>	<b>Jun-18</b> <i>Capital disbursed to investors</i> <b>£1,296,442</b>	<b>Jun-19</b> <i>Capital disbursed to investors</i> <b>£355,809</b>	<b>Jun-20</b> <i>Capital disbursed to investors</i> <b>£189,104</b>
	<b>Aug-11</b> <b>MyTime</b> <b>£100,000</b>	<b>Dec-12</b> <b>Highland Home Carers</b> <b>£460,000</b>	<b>Mar-13</b> <b>Thames Reach</b> <b>£250,000</b>	<b>Dec-14</b> <i>Capital disbursed to investors</i> <b>£81,987</b>	<b>Aug-15</b> <b>Herefordshire Mind</b> <b>£1,625,000</b>	<b>Oct-16</b> <i>Profit disbursed to investors</i> <b>£191,175</b>	<b>Mar-17</b> <i>Capital disbursed to investors</i> <b>£148,465</b>	<b>Dec-18</b> <i>Capital disbursed to investors</i> <b>£416,043</b>	<b>Oct-19</b> <i>Profit disbursed to investors</i> <b>£65,567</b>	
	<b>Oct-11</b> <b>Firestation</b> <b>£50,000</b>		<b>Jun-13</b> <b>Sandwell Community Caring Trust</b> <b>£725,000</b>	<b>Dec-14</b> <b>Fair Chance Fund</b> <b>£805,000</b>	<b>Aug-15</b> <b>Stramash</b> <b>£180,000</b>	<b>Dec-16</b> <i>Capital disbursed to investors</i> <b>£512,958</b>	<b>Dec-17</b> <i>Capital disbursed to investors</i> <b>£287,178</b>		<b>Dec-19</b> <i>Capital disbursed to investors</i> <b>£111,960</b>	
	<b>Dec-11</b> <b>Housing Action Limited</b> <b>£250,000</b>		<b>Aug-13</b> <b>Moneyline</b> <b>£700,000</b>	<b>Dec-15</b> <i>Capital disbursed to investors</i> <b>£907,026</b>						

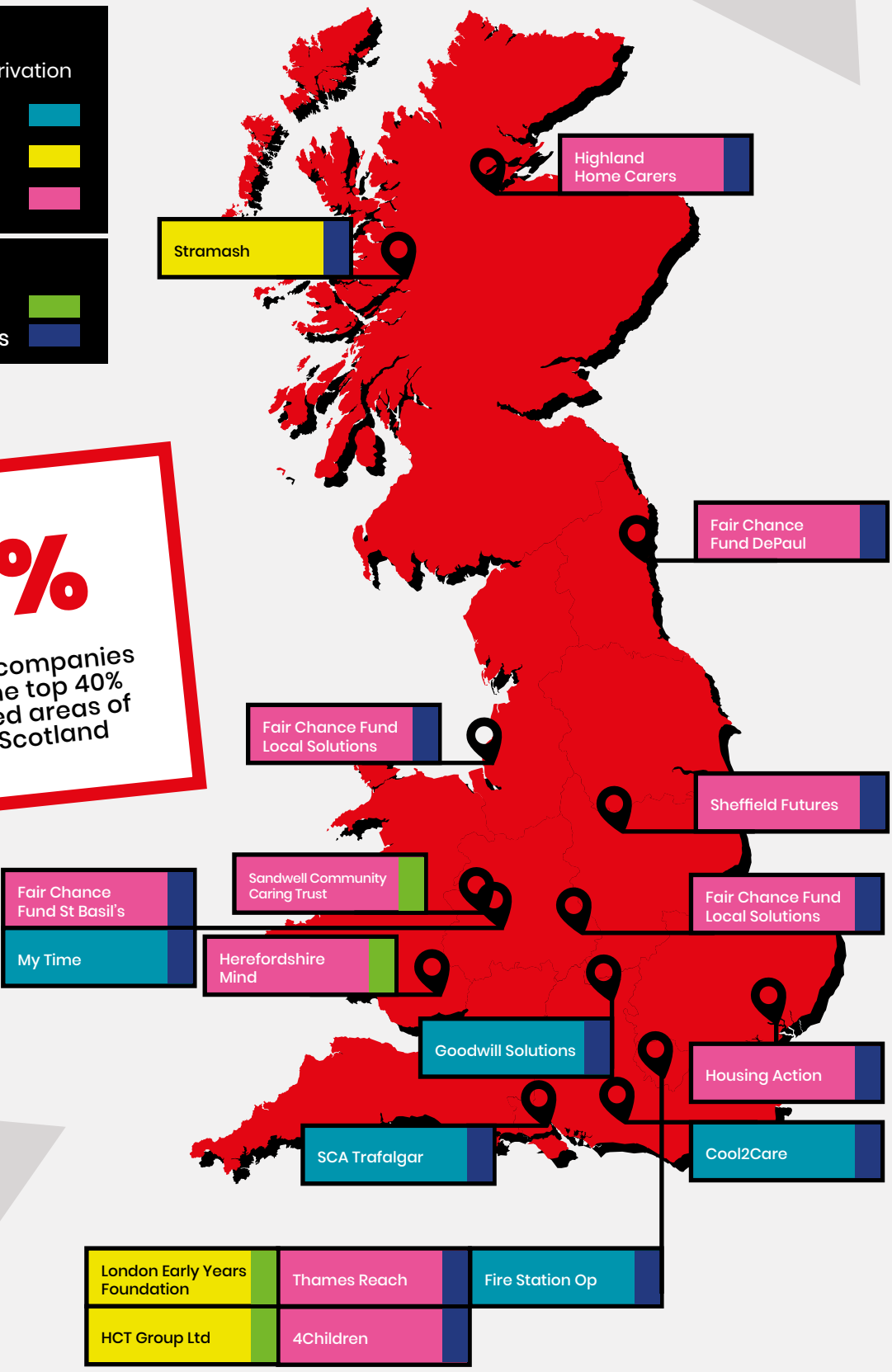
INVESTMENT MAP

MAP KEY:  
Index of Multiple Deprivation

- Upper Decile 7-10
- Middle Decile 5-6
- Lower Decile 1-4

KEY:  
Current portfolio  
Exited investments

55%  
% of portfolio companies  
working in the top 40%  
most deprived areas of  
England & Scotland



INVESTMENT  
PORTFOLIO

INVESTEES*	INVESTMENT TYPE	BENEFICIARIES	COMMITTED CAPITAL
Sandwell Community Caring Trust	Fixed Rate Loan	People with physical and learning disabilities	£483,333
London Early Years Foundation	Fixed Rate Loan	Vulnerable children (including looked after children)	£294,642
HCT Group Ltd	Fixed Rate Loan	People with physical and learning disabilities	£358,330
Herefordshire Mind	Fixed Rate Loan	People with mental health needs	£1,560,368
TOTAL			£2,696,673

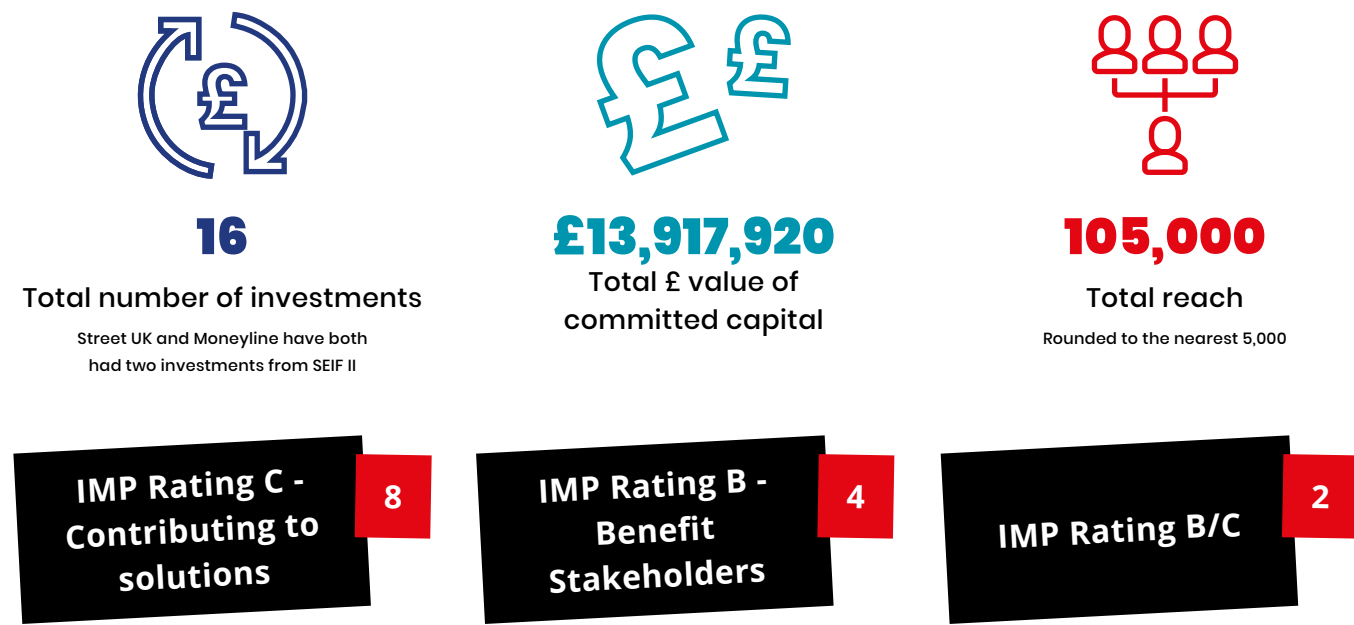


\*As at 31st March 2020



# SEIF II FUND LEVEL SUMMARY

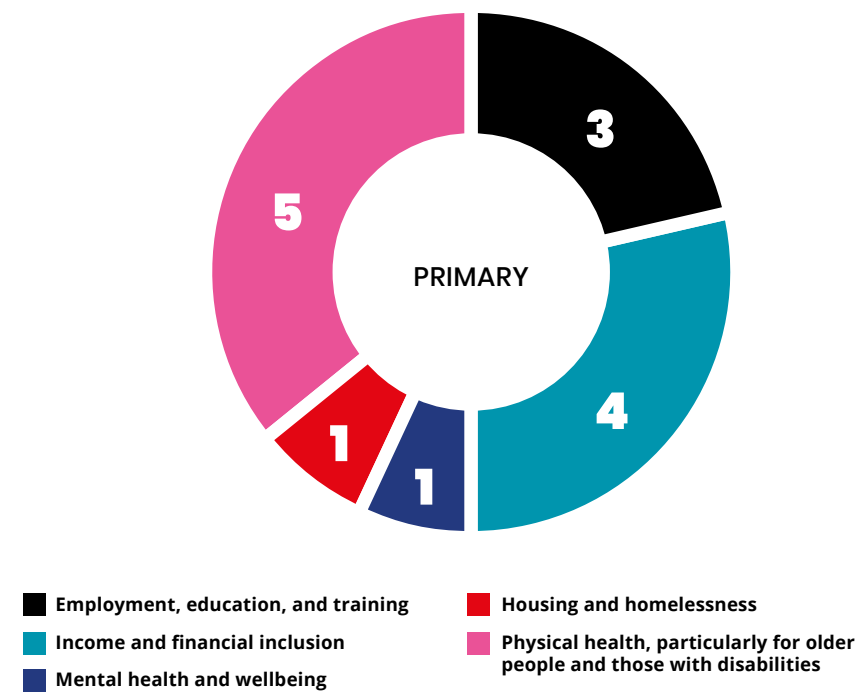
over the 2019/20 financial year



Number of portfolio companies aligned to each IMP rating

# BIG SOCIETY CAPITAL OUTCOME AREAS

no of investments aligned to areas



# PRIMARY BENEFICIARY GROUPS BY INVESTMENT



# PRIMARY SDG ALIGNMENT



# HEADLINE IMPACT FIGURES 2019/20









# IMPACT OF COVID-19

## ON THE SEIF I & II PORTFOLIO

Like most organisations in the UK, SEIF I & SEIF II's investees have faced new challenges this year that they have had to overcome, from service delivery, to liquidity, to operational adaptations.

The investment team have been tirelessly supporting businesses since the pandemic began to ensure that social businesses providing essential services to vulnerable people are still able to deliver the extraordinary social impact that they do.

Due to their individual circumstances in response to Covid-19, we have given eight investees a repayment holiday out of 15 (53%) as of end of June from SEIF I & II. This includes both interest and capital breaks, and deferrals.

Individual support from the investment team has increased through financial analysis, working through the short- and medium-term business implications of the pandemic, active board presence, assessing future funding opportunities, and providing wider support for business leaders.

BII have also been part of a consortium managing the **Resilience and Recovery Loan Fund** ("RRLF") and the **Social Enterprise Support Fund** ("SESF"). We have been able to support three of our SEIF II investees to access this emergency short-term loan and grant funding that has been made available, and two others are currently going through the application process<sup>1</sup>.

IMPACT AREAS	COVID-19 EFFECT ON IMPACT AREA
Employment & Training	<ul style="list-style-type: none"> <li>Internships, work experience and training opportunities severely reduced due to office space and workplaces closing.</li> <li>Employability supply, demand and support has various impacts due to economic situation and social distancing requirements.</li> <li>Long-term effects on economic growth, labour market demand and employment practices is uncertain particularly for already marginalized or disadvantaged groups.</li> <li>Referral routes for long term unemployed people reduced as other frontline agencies reduce services.</li> </ul>
Education	<ul style="list-style-type: none"> <li>Initial lockdown saw school closures which have impacted marginalised children and young people more severely where home conditions do not easily support education.</li> <li>Experience within BII's portfolio shows children with additional support needs, and those that have been excluded from mainstream education are finding it difficult to re-engage with the mainstream schooling system.</li> </ul>
Physical Health	<ul style="list-style-type: none"> <li>For the most vulnerable clients, the in-person frontline aspect of these services heightens the risk of infection between staff and service users.</li> <li>Patients are higher risk and vulnerable to worse outcomes from infection e.g. increased morbidity.</li> <li>Adults with severe and multiple disadvantage ("SMD") are at much higher negative impact risk due to reduced services.</li> </ul>
Mental health and wellbeing	<ul style="list-style-type: none"> <li>People with ongoing or underlying mental health issues are likely to be affected at a higher rate by the pandemic through key drivers such as social isolation, digital exclusion, and loneliness.</li> </ul>
Income & Financial Inclusion	<ul style="list-style-type: none"> <li>The ability for customers to repay loans once 'the' immediate repercussions of the pandemic and rising levels of unemployment become more apparent.</li> <li>Office closures and move to online only services could impact accessibility of loans particularly for those who are digitally excluded.</li> <li>- There is no clear model for assessing household response to economic shocks.</li> </ul>
Citizenship & Community (including community and sustainable transport)	<ul style="list-style-type: none"> <li>Economic viability likely to be impacted as transport use is reduced due to government guidance.</li> <li>There is a reputational risk to the sector if employees are impacted by infection.</li> </ul>
Housing & Local Facilities	<ul style="list-style-type: none"> <li>Initial government response to street homelessness shows a capacity to genuinely support homeless people. However, follow up services are yet to support transition to stable housing, health, and income security.</li> <li>People who are/have been/are at risk of homelessness are a very vulnerable high-risk cohort likely to have underlying health issues. This increases the risk of engaging in services during this period and heightens the risk of becoming disengaged long-term.</li> </ul>

<sup>1</sup> While these responses to Covid-19 fall out of the impact reporting period, Big Issue Invest felt it was important to share activities to date (Oct-2020) to showcase engagement with investees and sectors. More details will be shared in the 2020 / 2021 report

# A FEW CASE STUDIES



## Case studies.

# ST HELENA HOSPICE

The newest investment into the SEIF II portfolio, St Helena Hospice (SHH), based in Colchester, Essex has been helping local people for more than 35 years.

SHH help local people facing incurable illness and bereavement, supporting them and their families, friends and carers to bring comfort and relief to tens of thousands of people.

With the help of volunteers, donors and fundraisers, SHH aim to be there every step of the way for everyone who needs them, supporting people and families while loved ones face dying, death and bereavement. Their ultimate ambition is to give people more choice and dignity at the end of life regardless of their personal circumstances.

By reaching out to the community, they prioritise empowering people to plan ahead, share their choices and achieve their wishes at the end of life.

SHH can provide such care at no cost to the recipient through their successful in-house lottery business. In 2011, the lottery business called 'Your Hospice Lottery (YHL)', was opened to other hospices to access and replicate SHH's model. So far, it has raised **over £9 million** for hospice care with 60,000 numbers in play across 14 hospices. In 2017, SHH set up 'Make a Smile' to reach beyond hospices to the charity market. In addition to contributing over **£1 million** to other hospices and charities, they successfully achieved an annual gross income of over **£4 million**, creating around **£1 million profit** for SHH to reinvest in its impactful services.

IMP Rating B - Benefit Stakeholders



WHERE WE COME IN

In August 2019, Big Issue Invest's Social Enterprise Investment Fund II committed **£1.5 million** of investment for St Helena Hospice to expand their lottery business and allow them to generate more income to support their services and those of 14 other hospices and seven charities.

**Social Enterprise Investment Fund II committed**

**£1.5 MILLION.**

Brian Bolt, Finance & Commercial Director said of Big Issue Invest's support,

*"The investment from BII has enabled St Helena to achieve its ambition of accelerating the pace and scale of our unique lottery partnership offer. We now provide lotteries for 20 different charities across England and Wales raising vital funds for St Helena to help local people facing incurable illness and bereavement, but also generating financial returns for 20 other diverse good causes. In addition to the funding, the team at BII provided invaluable advice and support in developing the business case and helping us as an organisation to further strengthen our governance, including moving to a risk-based reserves policy."*

Jonny Page, Investment Manager at Big Issue Invest, says *"We are delighted to partner with St Helena and do our bit to unlock growth for their innovative income stream and support the hospice diversify its income. Not only does this mean that St Helena can continue to do what they do best, deliver high quality end of life and palliative care, but it also supports the revenue generation for other hospices and charities."*

END OF LIFE AND

PALLIATIVE CARE



PERSONS AGED 85+ PREDICTED TO DOUBLE BETWEEN 2018 AND 2043 TO 3 MILLION

In 2016, it was estimated that around one in five of all predictable deaths had unmet end of life care needs<sup>1</sup>. An ageing population, complex end of life needs and other social changes such as families having a much wider geographical spread means that older people are more likely to live alone and have less local, appropriate support.

This changing demographic means that there is a projected rise in the number of people dying over the next 25 years and therefore a more intensified demand for expert end of life care<sup>2</sup>.

With persons **aged 85+ predicted to nearly double between 2018 and 2043 from 1.6 million to 3 million<sup>3</sup>**, the future demand for hospice services will increase further in addition to a greater financial strain on the services.

Whilst an increasing number of end of life policies focus on providing good quality care that meets the individual's wishes and choice of place of death, the current stats signify the absolute necessity of SHH's bed occupancy and home support. Whilst recipients of the National Survey of Bereaved People stated that **81% wanted to die at home, 8% to die in a hospice, 7% in a care home, 3% in hospital and 1% somewhere else**, actual figures showed that: **47% of deaths occurred in hospital, 24% in the individual's home, 22% in a care home and 6% died in a hospice and 1% somewhere else<sup>4</sup>**.

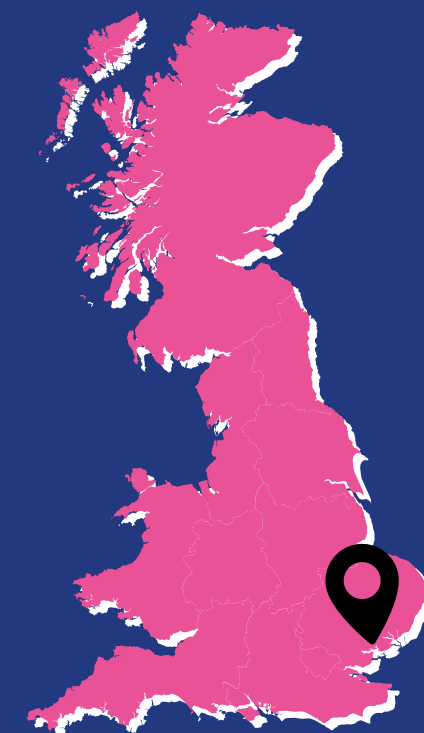
INEQUALITY IN COLCHESTER

AROUND END OF LIFE CARE

Homeless people, ethnic minority groups, refugees, the LGBTQ community, the travelling community, people living with deprivation and those with drug and alcohol addiction have unequal access to palliative care across the UK.

Patients in the least deprived areas are more likely to be treated with dignity and respect from services within the community compared to those living in the most deprived areas. Significantly more patients living in the least deprived areas rated the standard of overall end of life care as excellent (44%) compared with respondents of patients living in the most deprived areas (39%)<sup>5</sup>.

In North Essex, end of life care broadly fails to serve these more disadvantaged groups. Quality of care for those from such groups varies, for example people from BME groups are less likely to rate overall care as outstanding or excellent<sup>6</sup>. Within these groups, individuals have unique needs and considerations, but there is a lack of understanding of this, which creates a significant barrier to people receiving good and personalised care.



<sup>1</sup> <https://www.hospiceuk.org/docs/default-source/What-We-Offer/publications-documents-and-files/hospice-care-in-the-uk-2016.pdf?sfvrsn=0>  
<sup>2</sup> <https://www.hospiceuk.org/docs/default-source/What-We-Offer/publications-documents-and-files/hospice-care-in-the-uk-2016.pdf?sfvrsn=0>  
<sup>3</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2018based#changing-age-structure>  
<sup>4</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystem/bulletins/nationalsurveyofbereavedpeoplevoices/england2015>  
<sup>5</sup> <https://webarchive.nationalarchives.gov.uk/20160105203118/http://www.ons.gov.uk/ons/rel/subnational-health1/national-bereavement-survey--voices--by-area-deprivation/2011/stb-voices-by-ad-2011.html>  
<sup>6</sup> [https://www.cqc.org.uk/sites/default/files/20160505%20CQC\\_EOLC\\_OVERVIEW\\_FINAL\\_3.pdf](https://www.cqc.org.uk/sites/default/files/20160505%20CQC_EOLC_OVERVIEW_FINAL_3.pdf)



## THE SERVICES THAT ST HELENA OFFERS

### The Hospice

The organization has a 15-bed inpatient unit that provides specialist palliative care, end of life care and a limited amount of planned respite care to people in North Essex who have complex care needs that cannot be managed at home. It aims to support people to return home as soon as possible with admissions being for a short period of time for symptom control or to address a specific problem.

### Day therapies

One centre is located in Colchester and the other in Clacton. Both offer a mix of outpatient, group and day care for both patients and families. They aim to focus on complex physical, emotion and spiritual needs by helping people regain confidence and independence through reablement, rehabilitation, education and friendship.

### Hospice in the Home

The organization has a large community of specialist and registered nurses who provide care to patients in their home or care home. They exist to complement other local health and social care providers such as GPs, community nurses and social services.

### SinglePoint

This is a 24/7 palliative care coordination centre, a one-stop point of referral into all the SHH's services, providing telephone advice and support for patients, their families and healthcare professionals. Through the 'My Care Choices Register' it also coordinates a means of capturing and sharing the wishes of people at the end of life.

### Virtual Ward

A nurse-led service that supports patients with intense multiple needs at the end of life being cared for at home, and their families, offering twice daily personal care visits to help them remain at home, and prevent inappropriate admission to an acute setting.

### Family support

SHH offer counselling, family support and social work, giving advice, support and assistance in preparing family members for the death of a loved one.

### Bereavement support

SHH offers support to all those who have been bereaved in north and mid Essex, regardless of the cause of death or when or where the individual has died, through time limited one-to-one or group bereavement support or bereavement counselling.



## THE IMPACT OF ST HELENA HOSPICE

In response to the inequality in access to palliative care in North Essex, SHH is hosting a pilot funded by Macmillan Cancer Care.

SHH has achieved a **35% increase** in referrals to hospices from the three most deprived wards in Tendring in one year. The investment into St Helena has allowed them to grow their lottery business, increasing income for their own services and for their partner charities and hospices, whilst still delivering the top quality care services that they are renowned for in the local area, rated Outstanding by the Quality Care Commission in their latest review in 2017.

INDICATOR	ACHIEVED VALUE 2019/20
Bed Occupancy	87%
I Want Great Care Rating (out of 5.00)	4.9
Your Hospice Lottery: Gross income	£1.8 million
Your Hospice Lottery: Number of partners	14
Make a Smile Lottery: Gross income	£401,458
Make a Smile Lottery: Number of partners	7

## Case studies.

# SMILE TOGETHER

Smile Together Dental CIC ("ST") is the only dental company contracted by NHS England to deliver NHS referral emergency dental treatments, and treatments to patients with special needs, in Cornwall and the Isles of Scilly.

They are one of the largest in the South West, and one of only two employee-owned dental social enterprises in the UK.

ST deliver high quality dental services to underserved populations in the South West, and special care services for patients with disabilities or accessibility needs.



ST's **Brighter Smiles** oral health team regularly visits **82 schools, nurseries and family hubs** to deliver preventative education programmes to children living in areas of high deprivation to improve their understanding of oral health and access to dental care.

ST also run **Smiles at Sea**, part of the national **GetSeaFit** programme to provide free dental care from a mobile dental unit, visiting Cornish fishing communities and fishermen where they are working. Financial and time constraints for these communities mean 70% of fishermen have not visited a dentist in the last five years.

IMP Rating C - Contributing to solutions



## WHERE WE COME IN

In December 2018 Big Issue Invest's Social Enterprise Investment Fund II committed **£1 million** to convert the Harleigh Road property in Bodmin, into a best-in-class dental centre to improve and diversify the services that Smile Together already provided, with some specialist facilities previously unavailable in the county.

**Social Enterprise Investment Fund II committed**

**£1 MILLION.**

Paul Critchley, Managing Director, Smile Together Dental CIC said of Big Issue Invest's support:

*"We are hugely grateful to Big Issue Invest not only for their social investment into our accessible dental centre at Harleigh Road in Bodmin, providing specialist patient facilities previously unavailable in Cornwall, but also for genuinely partnering with us. They have taken the time to visit us to see first-hand the impact we're delivering, and they were one of the first to call when the Covid-19 pandemic really hit, checking in with us as one of their investees to see how they might help."*

Sergio Sanchez Toledo, Investment Manager at Big Issue Invest, says:

*"We are glad to be supporters of such an impactful organisation and grateful for the reception we had on our visit to their best-in-class dental centre at Harleigh Road, where we met a highly committed, socially focused team that feels pride in what they do and are constantly striving to improve their services."*





## HOW SMILE TOGETHER IS TACKLING DENTISTRY CHALLENGES IN CORNWALL

ST operates in some of the most deprived neighbourhoods in the UK<sup>1</sup>.

Tooth decay is the number one reason for admission to hospital among children aged 5 to 9, with more than **26,000 children** aged 5 to 9 admitted to hospital due to tooth decay in 2017 – 2018.

Decay rates in children from deprived areas are twice those of children in less deprived areas, with children in deprived areas likely to have reduced access to a dentist, even when they are in pain. Across the UK, largely preventable oral pain is causing pupils to miss an average of three days of school per student.

An estimated **50% of people don't have access to regular dental care** and there are still well over 23,500 people on the NHS waiting list in Cornwall and the Isles of Scilly.

Cornwall and the Isles of Scilly has a higher than average proportion of people whose day-to-day lives are limited by a long term health condition or disability, at 21% of the population<sup>2</sup>, higher than the UK average of 16% for working age adults<sup>3</sup>, making accessing treatment more difficult. Patients consulted by ST during the design phase of the Harleigh Road dental facility were happy to travel for a purpose-designed accessible centre tailored to their needs.

<sup>1</sup> [http://dclgapps.communities.gov.uk/imd/iod\\_index.html#](http://dclgapps.communities.gov.uk/imd/iod_index.html#)

<sup>2</sup> <https://www.disabilitycornwall.org.uk/>

<sup>3</sup> <https://www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures>

## THE IMPACT OF SMILE TOGETHER

OUTCOME	INDICATOR	TARGET VALUE (2019/20)	ACHIEVED VALUE (2019/20)
Provide dental services to an increased number of people across Cornwall and the Isles of Scilly	Number of patients seen in emergency appointments	23,940	18,835
	Number of special care patients seen	2,160	4,059
Bring accessible dental treatments to those who need it most	Number of patients reached within fishing communities	140	173
	Number of new patients registered with Brighter Dental	2,025	2,230
	Improved access to dental care ratio	4.79% of local population (Cornwall and Isles of Scilly) is seen by ST	5.34% of local population (Cornwall and Isles of Scilly) is seen by ST
All Smile Together patients receive high quality dentistry care	Smile Together "Friends and Family" score	97%	97%
	"Clinical Training Ratio"	Clinical colleagues complete >3 times as much verifiable CPD as required	>3 times
Reduce tooth decay through intervention and education	Number of pupils receiving campaign support	1,245	2,317
	Number of pupils receiving council funded support	1,663	1,938

## IMPACT CONTINUED

Investment into ST has supported the organisation to extend their reach across the underserved region of the South West delivering both emergency and special care treatment to patients. They have also increased their delivery of accessible dental treatment to the local population and continue to provide preventative education programmes to children through their Brighter Smiles dental programme. Brighter Dental is a service ST also runs from the Harleigh Road centre which provides a wider range of private dental services. Children are seen for free through this service and taken off the NHS waiting list even if no NHS place is available, with almost 1,000 children seen last year.



## Case studies.

# MENTAL HEALTH AND EMPLOYMENT PARTNERSHIP

The Mental Health and Employment Partnership (“MHEP”) is one of SEIF II’s longest standing investments and has expanded into BII’s Outcomes Investment Fund (OIF).

MHEP delivers employment support services to people with severe mental health conditions, addiction misuse issues, and learning disabilities. Across SEIF II and OIF, BII has supported seven contracts across 14 local authorities.

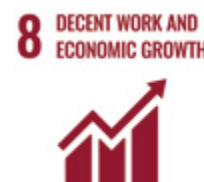
MHEP operates using the principles of Individual Placement and Support (“IPS”) whereby work is used as a fundamental part of a person’s treatment, rather than the traditional model of treatment and stabilisation followed by employment.

After five years of delivery, MHEP is approaching the milestone of **1,000 individuals supported into work**, and despite the delay to employment

referrals and starts due to the covid-19 crisis, they expect to reach this target by the end of 2020. This is a massive achievement and testament to all of the organisations involved in delivering the service, and all of the clients who have trusted IPS’ support to engage with the services.

Rates of employment in the UK for people with mental health conditions remain very low. The Department for Work and Pensions (“DWP”) in October 2019 published data showing 51% of Employment and Support Allowance claimants, 38% of Incapacity Benefit (IB), and Severe 2 Disablement Allowance (SDA) claimants reported having a ‘Mental and Behavioural’ disabling condition, and almost 25% of recent Jobseeker’s Allowance (JSA) claimants reported having a common mental health condition.<sup>1</sup> The effect of unemployment on health is also well documented, particularly its tendency to contribute to poorer mental health and higher rates of mortality.<sup>2</sup> MHEP is working to help close this employment gap for people with disabilities.

IMP Rating C - Contributing to solutions



## WHERE WE COME IN

In 2015 Big Issue Invest’s Social Enterprise Investment Fund II invested **£400,000** into the original MHEP contract in London, and between 2018-20, BII’s Outcomes Investment Fund has subsequently invested nearly **£1.3 million** into five additional contracts, totalling almost **£1.7 million** worth of investment.

The contract is run by Social Finance as an intermediary and funded by a number of commissioners working across local authorities, Clinical Commissioning Groups and Job Centre Pluses (listed opposite).

**The total outcomes value of all contracts is £8.8 MILLION**

Bex Evans from Social Finance said of MHEP

*Getting a job can be a life changing experience but employment rates for people with disabilities are unacceptably low. Our vision is that every person with a health issue or disability should have access to support to gain, sustain, or retain paid, competitive employment. We’re grateful for the support from Big Issue invest, which has allowed us to provide high-quality, health-led services to support nearly 1,000 people into work”.*

Jonny Page (Investment Manager at Big Issue Invest) says

*“With nearly £2 million invested into the organisation across two funds from Big Issue Invest, including the start-up equity capital, we’re delighted to be a part of MHEP’s journey - from proving the IPS model via a social impact bond back in 2015, to an established organisation that has supported nearly 1,000 people into jobs across 14 localities with 8 brilliant service providers five years later.”*

## ABOUT MHEP

MHEP has worked across the following 14 localities, mostly operating in Greater London: **Haringey, Barnet, Tower Hamlets, Camden, Enfield, Brent, Harrow, Hillingdon, Hounslow, Ealing, Westminster, Kensington & Chelsea, Staffordshire** (service ended) and **Shropshire**.

MHEP has been delivered by the eight following service providers:

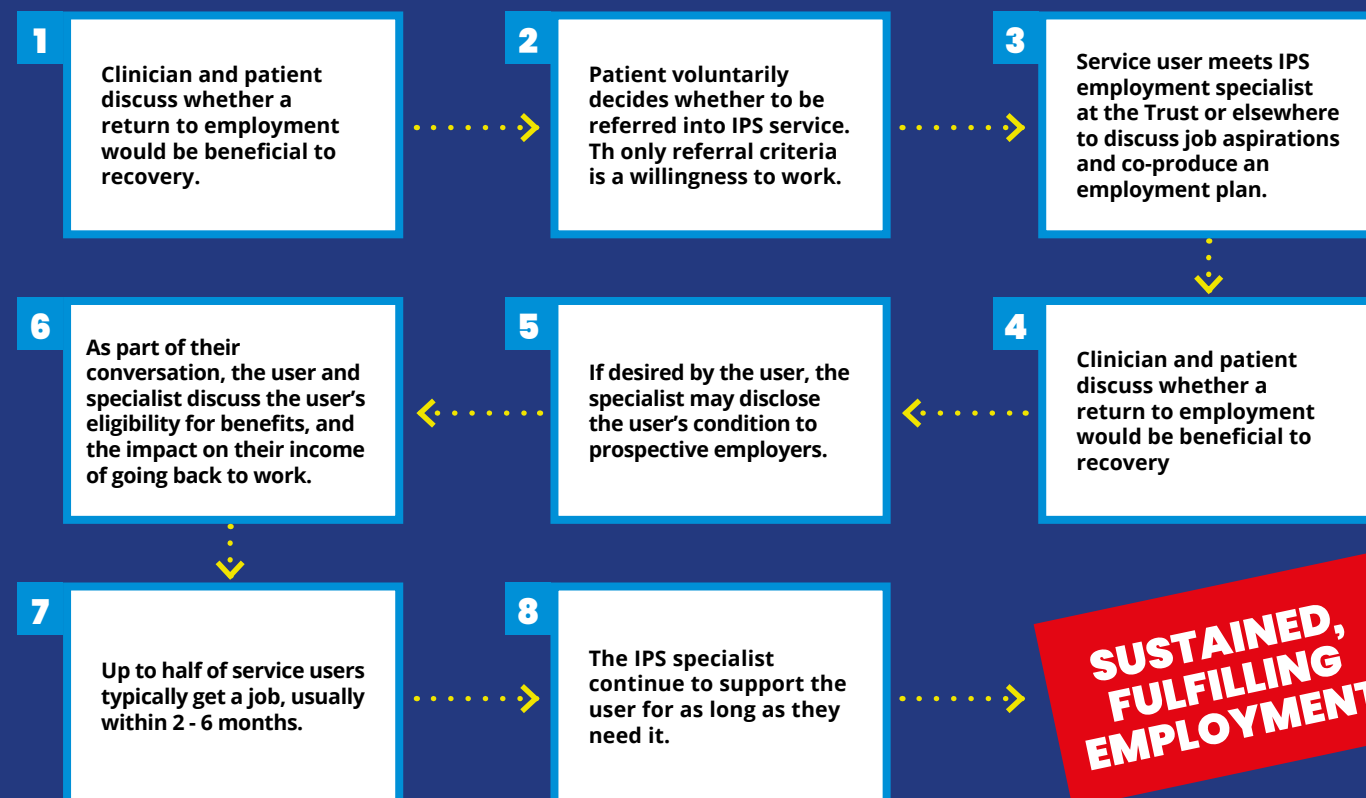
- Working Well Trust
- Twining Enterprise
- Enable
- Hillside Clubhouse
- Remploy
- Westminster Drug Project
- Making Space
- Tower Project Job Enterprise and Training Services

MHEP is funded by **23 commissioners** including Local Authorities, Clinical Commissioning Groups (CCGs), and Job Centre Pluses (JCPs).



FIGURE 1

## INDIVIDUAL PLACEMENT AND SUPPORT FLOW CHART



<sup>1</sup> Department for Work and Pensions, [DWP], (2019), Welcome to Stat-Xplore page. Retrieved December 19, 2019, from <https://bit.ly/2sE0FO3>  
<sup>2</sup> Clark, A., Georgellis, Y., & Sanfey, P. (2001). Scarring: The Psychological Impact of Past Unemployment. *Economica*, 68(270), 221-241



CASE STUDY CLIENT A:

The service worked with a client who had been out of work since 2013. He felt that his mental health is a barrier to him getting work.

The service helped the client to get a job he wanted as a cleaner at the hospital he was admitted to several years ago. For the client, this job allowed him to give something back to the community that had helped him. The client was diagnosed with Covid-19 and has thus been off work, but the employer has confirmed that the job will be kept for him. The client is very much looking forward to getting back to work.

**Feedback from the client:**  
*"it's helped my mental health to have support in such an important stage and part of my life. Employment means a great deal to me, especially working with a 'disability', and support in this area is very important. The positive cycle that has been put into motion from my recent success in acquiring a job leaves me very grateful, and the knowledge that I will have ongoing support for some months after employment reduces more stress for me... Thank you."*

The impact of MHEP over the last five years:

INDICATOR	ACHIEVED VALUE
Referrals	6,177
Engagements	3,358
Job Starts	976
Job Sustainments x6 weeks	591
Job Sustainments x13 weeks	78
Job Sustainments x6 months	179

In the 2019/20 year MHEP has achieved:

INDICATOR	ACHIEVED VALUE
Referrals	2,041
Engagements	1,103
Job Starts	354
Job Sustainments x6 weeks	182
Job Sustainments x13 weeks	43

**Note:** Contract targets have not been included in the data provided as there have been multiple adaptations to the original services and new services started, any targets over the period would not be representative of the outcomes achieved.

Case studies.

FIVE LAMPS TRADING

Five Lamps Organisation is a charity, established in 1985 with a mission to transform lives, raise aspirations and remove barriers to social, economic and financial inclusion.

The charity delivers its financial inclusion activities through its wholly owned subsidiary company, Five Lamps Trading ("FLT") offering affordable loans for people excluded from mainstream banking or who are financially vulnerable or distressed. By providing personal loans through their 'Conduit Loans' brand, Five Lamps aims to support people out of high cost credit dependency and prevent people

from falling into debt with high cost lenders. The financial impact for customers is a significant saving on interest and more disposable income remaining in the household.

The wider social impact can be seen in the health and wellbeing of the customers. As well as providing loans, Five Lamps also signposts and supports customers to obtain money management and debt advice with the aim to improve their financial health and creditworthiness. As a responsible lender, Five Lamps considers the individual needs of each customer when they apply for a loan, first and foremost ensuring they can afford it and can manage their payments.

IMP Rating B - Benefit Stakeholders



WHERE WE COME IN

In July 2018 Big Issue Invest's Social Enterprise Investment Fund II (SEIF II) committed £1million of investment into Five Lamps Trading.

SEIF II has since invested an additional £250,000 into the organisation to fund the growth of their loan book and scale the number of customers they are able to reach.

Social Enterprise Investment Fund II committed £1.25 MILLION.

Lisa Pickard, Group Chief Executive, Five Lamps Trading said of Big Issue Invest's support: *"Big Issue have been central in helping bring to life our mission to tackle financial exclusion and the negative impact of high cost credit head on. The capital investment has enabled us to deliver more loans to more people and with 9 out of 10 customers confirming our loans and services helped them out of or avoid high cost credit; we know that we are creating enormous social impact, reducing poverty and changing lives."*

Lars Hagelmann, Investment Director at Big Issue Invest added: *"As one of the key investors into Five Lamps Trading we are thrilled to support such a great organisation tackling the high cost credit providers through affordable loans and the management team who are fully committed to disburse quality loans to financially excluded households."*



## CUSTOMERS OF FLT HAVE REPORTED THAT AS A RESULT OF THIS SERVICE:

- **99%** would recommend FLT
- **73%** of customers spend less time worrying or being stressed
- **76%** have an improved ability to manage their money
- **74%** have an improved ability to make payments when they are due
- **70%** feel better able to cope with day to day life
- **69%** have improved confidence
- **76%** have an improved understanding of when to use credit

## ABOUT FINANCIAL EXCLUSION

and how Five Lamps Trading is helping tackle the challenge



Financial exclusion has come to describe the inability, difficulty or reluctance to access mainstream financial services, which without intervention, can stimulate social exclusion, poverty and inequality<sup>1</sup>.

It mainly impacts those with low or unstable incomes and can perpetuate the rise of the poverty premium on these households. The poverty premium is experienced by people on low incomes paying more for a range of essential products and services such as energy, credit, and insurance<sup>2</sup>. This contributes to people being stuck in a cycle of poverty, affecting not only their financial sustainability but also their health, housing, employment and overall well-being<sup>3</sup>.

Five Lamps offers loans through their shops, offices, and contact centre but loans are primarily accessed online. This is where the maximum disruption to high cost credit can take place and where those customers who need alternatives are shopping for a loan. The online service which continues to evolve and improve is centred on the customer, giving them increased

access, improved efficiency, and an excellent customer experience. Their bespoke lending platform and innovative partnerships with cost comparison sites, enables them to spread the reach of their services across the whole of the UK. As well as providing loans and financial inclusion services, Five Lamps is committed to raise awareness of the perils of and alternatives to high cost credit and pay day lenders.

Last year, the average credit score for a Five Lamps customer receiving a loan was 547. This is in the lowest band of credit scores classified as 'Very poor'. This demonstrates how Five Lamps is making a financial and social impact, supporting individuals who would otherwise have to pay high premiums in order to access credit and likely be pushed further into debt, poverty and social exclusion.

Five Lamps focuses on its customers. It is not for profit. All profits go back into lending and financial inclusion. Because of this ethos they focus on supporting customers to manage their loan, improve their credit worthiness and build confidence with money management. Where a customer gets into financial difficulties, Five Lamps works with them on an individual basis to ensure a flexible payment plan is agreed. Unlike many commercial lenders, Five Lamps does not charge fees when loan payments need to be changed.

## THE IMPACT OF FIVE LAMPS TRADING

### WHO ARE FLT'S CUSTOMERS: (2019/20)

Average borrower income per annum	Gender	Job status	Household type	Average credit score
Demographics				
<b>£21,576</b>	<b>62% Female</b>	<b>37% Unemployed</b> <b>53% Employed</b>	<b>15% Single parent</b>	<b>547</b>

### FLT'S OUTCOMES

OUTCOME	INDICATOR	ACHIEVED VALUE (2019 - 2020)
Increased access to credit	Number of applications	<b>28,444</b>
	Total No. loans issued (new & repeat customers)	<b>7,157</b>
	% applications converted to loans	<b>25%</b>
	Average loan value for new loans	<b>£471</b>
	Number of loans issued (only repeat customers)	<b>4,472</b>
	Gross Lending	<b>£4.9 million</b>
Customers on low incomes able to access credit	Average credit score of borrowers	<b>547</b> (Very Poor category)
Increased number of people saving money and avoiding high cost credit	*Total savings for customers	<b>£2.1 million</b>
	Average savings per customer (vs. relevant HCSTC provider) - new loans	<b>£184</b>
	Average saving per customer (vs. relevant HCSTC provider) - additional loans	<b>£239</b>
	% customers who avoided a high-cost lender because of FLT	<b>90%</b>

#### Total savings based on:

- 249 new loans at £438 over 33 weeks. Total cost of credit (Conduit @ 99.8% APR) at £26,601. Total cost of credit (Provident @ 299.30% APR) at £57,004. Total saving £30,403
- 337 top-up loans at £901 over 48 weeks. Total cost of credit (Conduit @ 99.8% APR) at £413,620. Total cost of credit (Provident @ 299.30% APR) at £545,131. Total saving £131,511
- 207 repeat loans at £613 over 39 weeks. Total cost of credit (Conduit @ 99.8% APR) at £163,720. Total cost of credit (Provident @ 299.30% APR) at £206,669. Total saving £42,942
- Overall saving £245,703/926\*

<sup>1</sup> <https://publications.parliament.uk/pa/ld201617/ldselect/ldfinexcl/132/13206.htm>  
<sup>2</sup> <https://www.barrowcadbury.org.uk/what-we-do/fair-design-campaign/>  
<sup>3</sup> <https://www.financialinclusioncommission.org.uk/facts>

Case studies.

# BIG CREATIVE EDUCATION: CREATIVE WORKS

Big Creative Education (BCE) is the largest creative college in London. In 2019, it celebrated 20 years of providing quality courses to young people in North East London who have historically been marginalised from mainstream education.

BCE used investment from BII and Charity Bank to set up a new co-working space, to crowd in creative businesses to Waltham Forest and generate employment opportunities. BCE aim to transform the lives of young people through inspirational teaching, and by providing exceptional access to career opportunities in the creative industries.

Creative Works, launched in 2018, is an affordable workspace for creative venture start-ups providing employment and apprenticeship opportunities for young people. Home to **100 creative tenants** it aims to create a community of innovators, start up's, freelancers and cutting-edge digital and marketing agencies.

Creative Works forms part of BCE's 'Big Creative Village' in Walthamstow, a creative hub at the heart of the Blackhorse Lane regeneration area made up of Big Creative Training and Big Creative Academy providing education to **1000 young people** in the creative and media industries.



## WHERE WE COME IN

In November 2018 Big Issue Invest's Social Enterprise Investment Fund II invested **£600,000** for Big Creative to develop a new affordable workspace that provides employment and training opportunities for students from the Big Creative Academy.

Social Enterprise Investment Fund II committed

**£600,000**

Alexis Michaelides, Managing Director of Big Creative Education said of Big Issue Invest's support, "Big Issue Invest have been an invaluable partner throughout the process of pulling our funding package together for our Creative Works project providing key insights and rigorous support & challenge to ensure the project could happen. Since the project launched the BII team have remained involved as observers at our board meetings and providing ongoing support as we've navigated the challenges of establishing a brand-new business and responding to the Covid lockdown".

Jonny Page, Investment Manager at Big Issue Invest added, "It has been a privilege to support and watch first-hand the ramp-up of Creative Works as part of the wider Big Creative mission to support marginalised young people into employment in the creative sector. Since our investment in November 2018, we have developed a strong partnership with Big Creative and it is great to see that already 54 apprentices have benefitted from the space, 83% of whom were retained by the employer beyond the programme."

## How Big Creative Education is helping to tackle unemployment and inequality in Waltham Forest

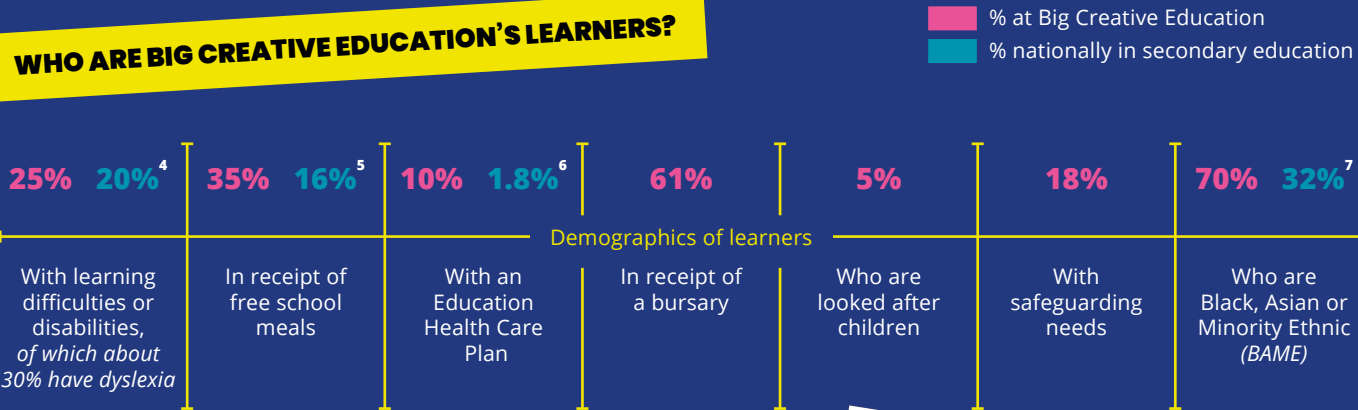
In 2019 the UK experienced record employment outcomes. However, the benefits of these record outcomes are not experienced equally throughout the UK.

20% of the UK (**14 million people**) are classified as in poverty<sup>1</sup>. A combination of benefit freezes and stagnating wage growth for low to middle-income families forecasts relative child poverty will reach 40% in early 2020<sup>2</sup>. According to End Child Poverty<sup>3</sup>, 41% of children in Walthamstow and surrounding boroughs are born

into poverty. This indicates a need to generate quality schooling and onward employment solutions in the locality. BCE provides both, with the opportunity for pupils to gain a quality education within the academy, and the apprenticeship and employer engagement opportunities provided through Creative Works.

"Young people from disadvantaged backgrounds are massively under-represented within London's creative economy. 95% of creative economy jobs are filled by people from more advantaged groups"  
**GLA Creative Sector Report update 2017.**

## WHO ARE BIG CREATIVE EDUCATION'S LEARNERS?



## THE IMPACT OF CREATIVE WORKS

Creative Works acts as a space for BCE's 'Talent Incubator' where entrepreneurs using the space can employ BCE apprentices at affordable wages who then receive online training, masterclasses and professional tutors for them to become qualified and employable.

Members who participate in the BCE apprenticeship programme get a free desk. BCE then connect the clients with each other with 30% of the members collaborating within the building and 35% of tenants businesses growing due to the apprenticeship programme and business support<sup>8</sup>.

Of the 54 apprentices and interns who participated in the programme and were placed with members, 83% were retained by the company they were working for<sup>9</sup>.

Creative Works is helping tackle unemployment and inequality by facilitating work experience, apprenticeship, and internship opportunities for young creatives from disadvantaged backgrounds in North East London, especially supporting young people who are marginalised from mainstream education and employment. All apprentices and interns are on the accredited London Living Wage with the members they connect with.





# LOOKING FORWARD

OUTCOMES	INDICATORS	ACHIEVED VALUES Jan – Mar 2019
<b>Increased EET opportunities for apprentices within Big Creative Education</b>	No. of apprentices in off the job training in Creative Works	<b>54</b>
	No. of apprentices working in Creative Works	<b>5</b>
	Progression tracking data after apprenticeship into jobs, further education or training	<b>3 of the 5</b> left to work freelance in this quarter.*
<b>Increased numbers of adults able to access employability programmes and have improved job prospects</b>	No. of employability programmes delivered and no. of attendees	<b>2</b> cohorts <b>32</b> learners
	Progression tracking data after employability trainings	<b>4</b> progressed year to date
<b>Increased numbers of adults able to access digital skills programmes and have improved job prospects</b>	No. of digital programmes delivered and no. of attendees	<b>2</b> cohorts <b>24</b> learners
	Progression tracking data after digital skills trainings	<b>2</b> progressed year to date
<b>Clients of Creative Works have improved and cheaper access to business support</b>	Hours of business support provided to Creative Works' clients	<b>8</b>
<b>Increased EET opportunities for students within Big Creative Education</b>	Fixed No. of formal touch point/ industry meeting days provided Loan	<b>3</b>

Investment into the Big Creative Community and Creative Works has supported the organisation to grow their community even further. It has successfully provided a space whereby entrepreneurs and young creatives contribute positively to each other in a mentor/mentee working relationship. Creative businesses within the workspace are also benefitting from business support provided from the space, and BCE runs subsidised employability and digital skills programmes for low-income adults to improve their employability.

\* Now not working due to Covid-19

1 <https://undocs.org/A/HRC/41/39/Add1>  
2 <https://www.resolutionfoundation.org/app/uploads/2019/05/Generation-of-Poverty-Report.pdf>  
3 <http://www.endchildpoverty.org.uk/poverty-in-your-area-2019/>  
4 Percentage of pupils with Special Educational Needs (SEN) where the primary type of need is specific learning difficulty (Secondary) (2019/20 (academic)) for England: [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=4804&mod-period=1&mod-area=E92000001&mod-group=AllRegions\\_England&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=4804&mod-period=1&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup)  
5 [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2174&mod-period=1&mod-area=E92000001&mod-group=AllRegions\\_England&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2174&mod-period=1&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup)  
6 Percentage of pupils with Special Educational Needs (SEN) statements or Education, Health and Care (EHC) Plans (Secondary) (2019/20 (academic)) for England: [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=905&mod-period=1&mod-area=E92000001&mod-group=AllRegions\\_England&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=905&mod-period=1&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup)  
7 2019/20 academic year <https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics>  
8 <https://www.creativeworks.space/2020/06/09/creative-works-nominated-for-3-hubblehq-office-of-the-future-2020-awards/>  
9 <https://www.creativeworks.space/training/>





# Research Initiatives.

## EXPLORING SOCIAL INVESTMENT IN OUTCOMES CONTRACTS WITH THE GO LAB



In April 2020 Big Issue Invest and The Government Outcomes Lab (GO Lab) within the Blavatnik School of Government at the University of Oxford embarked on a data sharing initiative to promote transparency and share learning in the social outcomes market.

Big Issue Invest shared our social, financial and contractual data on 14 SOC's within the OIF in order to gain insights across our portfolio and encourage a culture of data sharing in the social investment sector.

This collaborative research project has launched a report: **"Exploring Social Investment: An INDIGO Learning and Technical Report"** with the aim to foster more conversation of how social investors can support the social outcomes market.

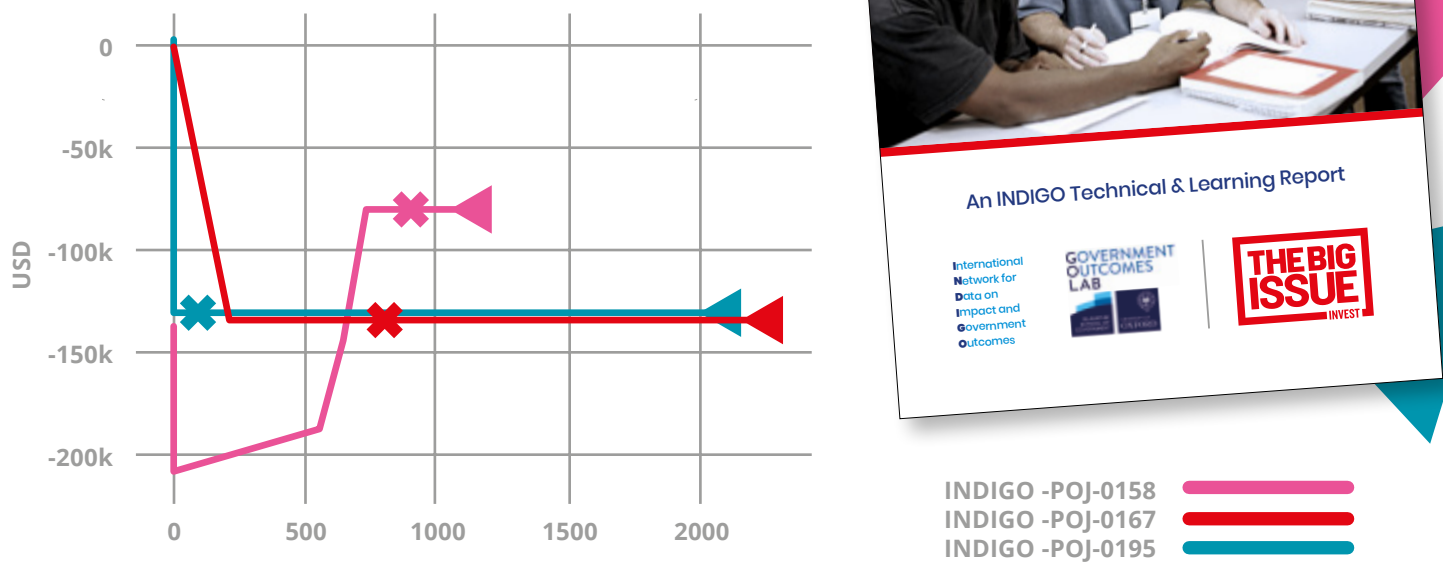


Figure 1: Prototype Data Visualisation 2 showing the flow of capital in a contract between the investor and provider in USD over the life of the contract including investment and repayment

## THE BEYOND THE CHEQUE INITIATIVE ("BTCI")

The BTCI is a research project being run by **Big Issue Invest**, co-funded by **The Esmée Fairburn Foundation** and the **Access Foundation: The Foundation for Social Investment**.



Our partners include Coop UK, UnLtd: The Foundation for Social Entrepreneurs and Big Society Capital. This piece of research was launched in March 2020 and aims to establish the value and effect of Technical Assistance

provided through social investment to enable social businesses to improve organisational capacity, resilience and achieve business aims.



Development of a tool available for the wider sector to establish and measure Technical Assistance Benefit and Effort (Tool) (TABET). This tool will work through self-evaluation of effort by investment managers, evaluation of investee only, and evaluation from both.



Test Willingness to Pay (WtP) using data collected from TABET to assess behaviours and preferences of different stakeholders willing to pay for various intensities of TA and various delivery providers to identify how well TA is valued in the market.



Explore Value for Money (VfM) analysis of TA after phase one of the research plan is completed.

## THE WIDER AIMS OF THE BTCI:

- Provide insight into the technical assistance market providing services to social organisations throughout the social investment cycle.
- Develop a shared approach to capturing delivery of technical assistance services.
- Work with key actors within the social investment sector to test data collection approaches.
- Deliver this over a one year period as 'phase one' of the wider research project to understand the effectiveness and value for money of technical assistance.





# DIVERSITY, EQUALITY AND INCLUSION AT

Diversity, equality and inclusion (DEI) are principles at the heart of the Big Issue Invest and Big Issue Group mission.

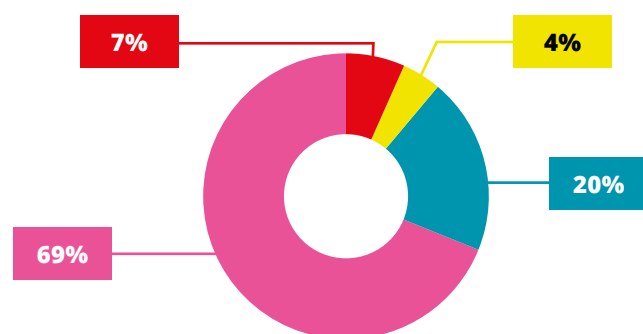
As a social investor, it is important that we ensure our funds are accessible and inclusive of different communities and individual needs.

In July 2020, BII circulated a diversity, equality and inclusion survey to **164 investees** of BII. Its outcomes were subsequently discussed at an investee DEI consultation in August 2020 with investees and will form a set of recommendations for the development of our Implementation and Policy Action Plan ("IPAP").

The findings from this work are shared below:

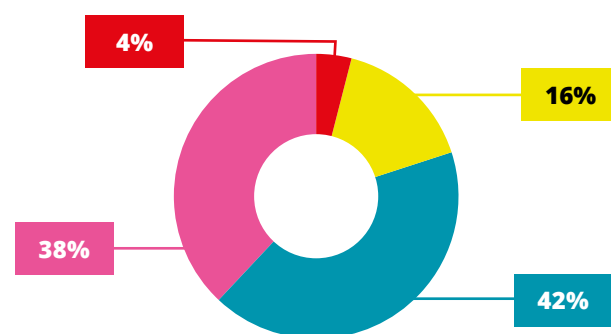
## GENDER REPRESENTATION AT BOARD AND SMT LEVEL WITHIN OUR INVESTEE ORGANISATIONS AT BII

Proportion SMT that is female (average SMT size 4)



Zero <25% >25% >50%  
Not currently monitored Don't Know

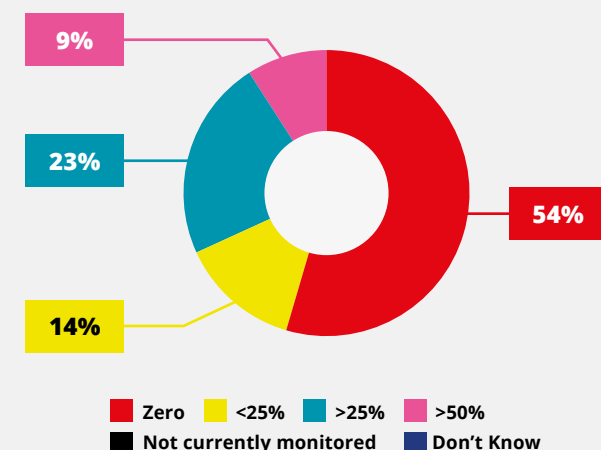
Proportion Board that is female (average size 6)



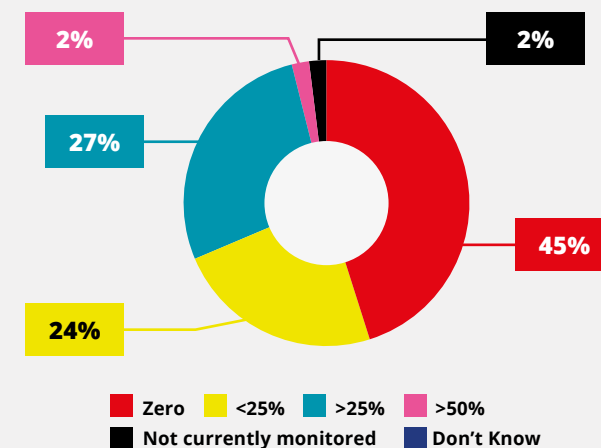
Zero <25% >25% >50%  
Not currently monitored Don't Know

## BLACK, ASIAN AND MINORITY ETHNIC REPRESENTATION ("BAME") AT BOARD AND SMT LEVEL WITHIN OUR INVESTEE ORGANISATIONS AT BII<sup>1</sup>

Proportion SMT that is BAME (average SMT size 4)



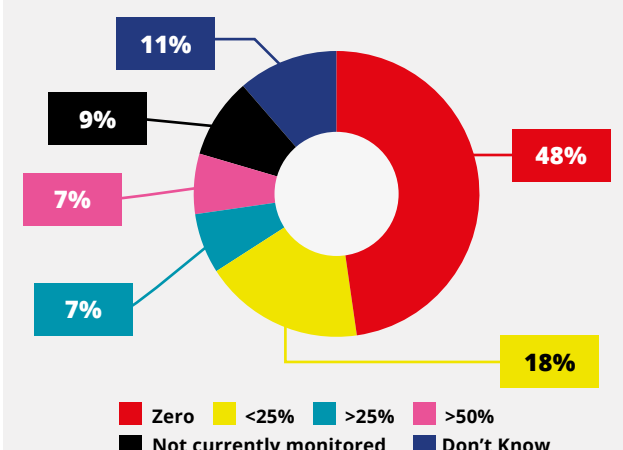
Proportion Board that is BAME (average size 6)



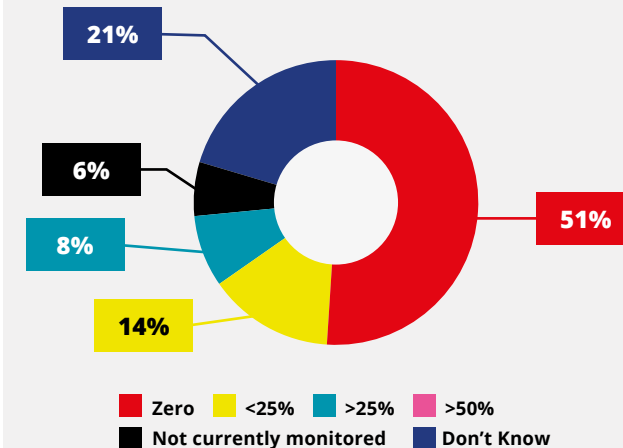
Zero <25% >25% >50%  
Not currently monitored Don't Know

## DISABLED REPRESENTATION AT BOARD AND SMT LEVEL WITHIN OUR INVESTEE ORGANISATIONS AT BII

Proportion SMT that is disabled (average SMT size 4)



Proportion Board that is disabled (average size 6)



Zero <25% >25% >50%  
Not currently monitored Don't Know

Out of responses, **44 organisations (74%)** reported having a senior management team (SMT) in place and the average SMT is made up of **4 individuals**. **51 organisations (86%)** reported having a board in place and the average board size was **six**.

An organisation is deemed as 'diversity led' when over 50% of the SMT and decision makers are female, BAME, disabled or LGBTQ+ leaders.<sup>2</sup> Therefore, our findings show that BII has good investment in female leadership with **69% of the portfolio having >50% females** in SMT roles. However, at board level this drops to 38%.

At SMT level, over **50% of organisations had no BAME** representation, this reduced slightly to **42% at board level** but still demonstrates poor representation. Additional data findings showed particularly poor representation for Black African, Caribbean and British leaders.

It is noted that **20% of respondents do not monitor** for disability at SMT and that this is the only characteristic not measured. This trend follows at board level with 26% of organisations not measuring disability at board level. This is a challenge in the wider economy<sup>3</sup> and we must find solutions to support disabled people to be engaged as leaders across the social sector.

<sup>1</sup> The term BAME is used here to comprise all Mixed, Asian, Black and Other (non-white) ethnicities. BAME is used as an all-encompassing term so that we are able to group the limited data that is available to show ethnicity of organisational boards and SMT and wider trends in disparities between ethnicities. This term has been used with the understanding that social, economic and racial disparities impact the groups within this category very differently and any findings will need to take that into account.  
<sup>2</sup> <https://www.artscouncil.org.uk/diversity-and-equality/consultation-defining-diverse-led-organisations>  
<sup>3</sup> <https://home.kpmg/uk/en/home/insights/2019/09/leading-from-the-front-disability-and-the-role-of-the-board-progress-a-year-on0.html>

Diversity, Equality, and Inclusion.

REPRESENTATION OF LEADERS  
WITH LIVED EXPERIENCE (“LLE”):

It is important for BII to support leaders with lived experience to access our products.  
51% of the leaders/founders surveyed reported having lived experience of a social challenge.

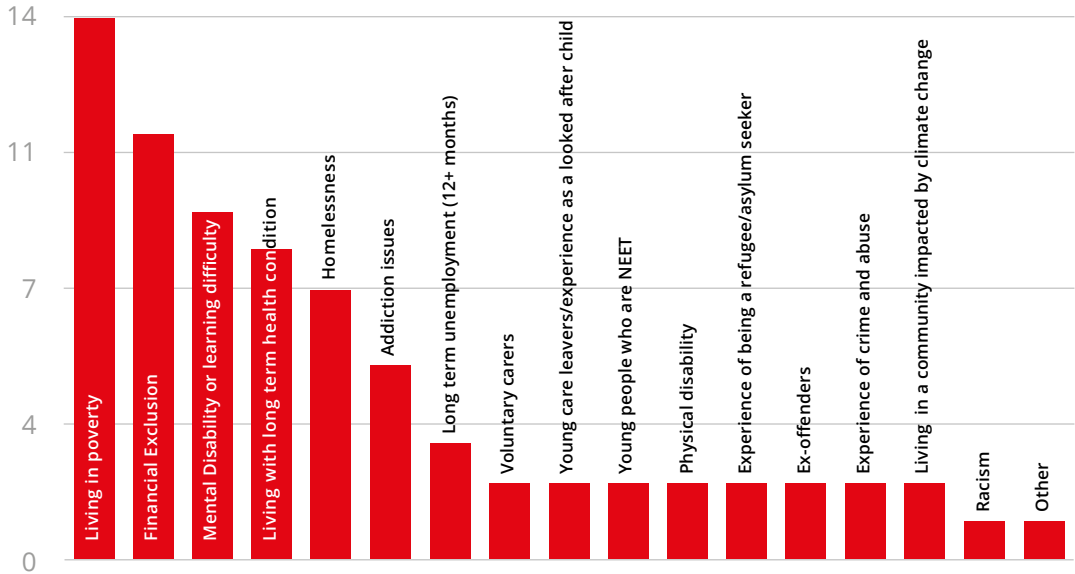
OUR FINDINGS SHOWED THAT ON AVERAGE  
IF A LEADER HAD LIVED EXPERIENCE, IT WAS OF  
MULTIPLE SOCIAL CHALLENGES (AVERAGING 3.3X)



The top three most common social challenges that leaders within our investees have experienced are:

- 1. LIVING IN POVERTY
- 2. FINANCIAL EXCLUSION
- 3. MENTAL DISABILITY OR LEARNING DIFFICULTY

Number of instances of LLE relative to enterprise



Leaders with lived experience are defined as people who use their first-hand experience of a social issue to create positive change. They are rooted in the communities they serve, designing solutions with their peers in these communities.<sup>4</sup>

<sup>4</sup> <https://www.unltd.org.uk/blog/news/social-enterprise-support-fund-inclusion-commitment/>

BII'S GENDER PAY GAP

For this report snapshot data was taken on 30/09/20

Employee numbers: 21 employees.

BII's staff is 76% male and 24% female, and both upper quartiles of pay are 100% male.

This is the first time BII has published pay gap data and we will commit to doing so annually. Transparency is key to improving equality within our organisation and in holding ourselves to account to our key stakeholders in closing this gap.

We used the methodology outlined in *government guidelines*<sup>\*</sup> to calculate BII's gender pay gap.

Big Issue Invest's mean gender pay gap is 33.85% in favour of men.

Big Issue Invest's median pay gap data is 34.35% in favour of men.

PROPORTION OF MALES AND FEMALES IN EACH QUARTILE

QUARTILE	MALE	FEMALE
Q ONE	100%	0%
Q TWO	100%	0%
Q THREE	78%	22%
Q FOUR	50%	50%

BII was not able to publish its ethnicity pay gap in this annual report due to incomplete data on employees. We commit to gathering this data and publishing this pay gap in the next annual report.

<sup>\*</sup> <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>





# DIRECTORS OF THE GENERAL PARTNER

## DANYAL SATTAR

Danyal joined Big Issue Invest as CEO in December 2018. He has more than 25 years' experience in the social and ethical investment, charitable and impact investment sectors, working on social investment for organisations such as the Joseph Rowntree Foundation, Esmée Fairbairn Foundation and Access as well as for social investors Big Society Capital, Charity Bank and Aston Reinvestment Trust.

## PARVEEN BIRD

Parveen has worked at The Big Issue for 15 years in various roles. Starting on a voluntary basis in the publishing and marketing department, Parveen now sits on the Group Board of Directors and on the Big Issue Invest Board. Parveen is also a trustee of the Big Issue Foundation. Prior to this Parveen worked as a broadcast journalist at GMTV and the BBC.

## STEPHEN HOWARD

Stephen is the chair of Power to Change after retiring as chief executive of Business in the Community after 10 years in post. Stephen brings a wealth of senior management experience acquired in the corporate sector. He has held a number of executive and non-executive roles including chief executive of Cookson Group plc and Novar plc. Stephen's other roles include chair of Thames Reach and trustee of Big Society Capital.

## The Investment Advisory Committee includes the following members:



### TIM FARAZMAND (Chair)

Tim has worked for over 30 years in private equity and was Chair of the British Venture Capital Association for the 2014-2015 term. Tim chairs the Palatine Impact Fund, PCB Partners and Estio. He sits on the boards of BSVT plc, The Lakes Distillery, Vinoteca and the Advisory Board of Beechbrook Capital.



### GEORG STRATENWERTH

Georg works as a senior adviser to Pillarstone. He spent most of his career in private equity, initially with JP Morgan Partners and then Advent International. He worked as a management consultant at Mercer Management Consulting and Roland Berger and Partner. Georg also serves as a member of the Ashoka support network and is on the Board of Trustees of ClientEarth and CASA, a Big Issue Invest investee.



### JEREMY ROGERS

From 1998 to 2008 Jeremy was at JP Morgan, where he set up their successful European High Yield and Distressed Debt group. When he was promoted to MD in 2005, he became the youngest MD in JP Morgan's history. Jeremy is now chief investment officer for Big Society Capital. He also sits on the Investment Committee of the Lankelly Chase Foundation and is a senior adviser to the Rockefeller Foundation's Innovative Finance programme.



### JOHN GILLIGAN

John has worked in the private equity and venture capital industry for more than 30 years. He started his career in 1988 at 3i Group plc as a financial analyst. He was then a corporate finance partner of Deloitte and latterly BDO for more than 20 years. He is director of the Oxford Saïd Finance Lab at Saïd Business School, University of Oxford. John is also a visiting professor at Imperial College Business School and has degrees from Southampton University, Nottingham University and London Business School.



### JOHN MONTAGUE

John has worked in the social enterprise and housing sectors for the last 15 years. John established and grew TREES, a £9m multidisciplinary social enterprise. In 2012, he joined Big Issue Invest to help launch its early-stage investment programme, Corporate Social Venturing (CSV). Before this John led the SPARK programme, a precursor to CSV, in partnership with Big Issue Invest.



## FUND MANAGEMENT TEAM:

### LARS HAGELMANN

#### Head of Fund Operations & Portfolio Management

Lars has 20 years' experience in direct investment and investment management and joined Big Issue Invest in 2016 and is now leading the fund management team. He started his career in Berlin with BDO in the Corporate Finance Team before moving to London to work for SISU Capital, sourcing and managing direct private equity investments. Lars worked in the Middle East as Investment Director and CIO managing investments into education and healthcare.

### MARK LOVELL

#### Head of the Outcomes Investment Fund

Mark has more than 20 years' experience as a CEO, executive chairman and non-executive director of organisations involved in the delivery of public services both in the UK and internationally. Having worked across the social investment market since 2008 he has extensive experience working with commissioners, providers and investors on the development of social impact bonds.

### JAMES POTTER

#### Investment Director

James has a background in corporate finance having spent over 10 years advising on stock market flotations and helping large companies with debt financing. Before moving to BII in 2019, he spent four years in the social investment sector working as an Investment Director at Numbers for Good, a social finance intermediary specialising in assisting social enterprises of all sizes prepare the materials that they needed in order to secure social investment.

### JONATHAN PAGE

#### Investment Manager

Jonny started his career at Deloitte, where he qualified as a chartered accountant, heading up post-transaction valuation assurance work across the EMEA region and managing subsidiary audits of US listed clients. Before joining Big Issue Invest, Jonny spent two months supporting a social enterprise in Cambodia.

### SERGIO SANCHEZ TOLEDO

#### Investment Manager

Sergio started his career in finance control, then moved to PwC where he worked as a systems and processes auditor and further developed his career as a risk management consultant. He combines experience working for commercial, public sector and non-profit organisations in the UK and Spain.

### SHAYLA MEYER

#### Investment Associate

Cross-trained with a degree in Environment, Sustainability and Society, Shayla was an environmental consultant for heavy industry in her early career. She spent the subsequent 5 years in sustainability consulting delivering impact evaluation, impact planning, and impact reporting projects. In 2018 Shayla spent a year seconded to B Lab UK to lead The Body Shop's flagship B Corp Certification. Invigorated by the promise of purpose beyond profit, Shayla became an On Purpose associate before joining BII as Investment Associate.

### BEN TIPLADY

#### Investment Analyst

Ben supports the fund management side of Big Issue Invest. He helps with reporting requirements to the board and outside stakeholders, social impact scoping and analysis. He comes from a background in social finance.

### EDEM SETSOAFIA

#### Investment Analyst

Edem graduated from Loughborough University with a degree in Banking, Finance and Management. He has worked as an investor analyst, mediating the sales of alternative investment strategies between fund managers and investors and as an investment technician. He has completed the Investment Management Certificate and is currently studying for the CFA.

### CHLOE TYE

#### Impact and Equalities Specialist

Chloe has an MSc in International Relations and Global Issues from Nottingham University. During a year studying regional politics in Australia she spent time in Indonesia volunteering with an education charity. While studying she also completed an internship in international conflict resolution with a social enterprise. Prior to joining BII she worked for the University of Nottingham in data analysis.

### JOSH MEEK

#### Head of Impact

Josh started his career in international development in 2013 working in East Africa focused on agricultural and economic development programmes with Farm Africa. Josh focused on working with small businesses and cooperatives and supported businesses to grow their ventures and social impact. Before joining BII in 2019, Josh completed one year at UnLtd working with social ventures across the UK to measure their social impact and led UnLtd's economic research work focusing on identifying the cost effectiveness of social ventures' work on reducing the disability employment gap.

# FUND

# INFO

[www.bigissueinvest.com](http://www.bigissueinvest.com)

### GENERAL PARTNER:

Big Issue Social Investments Limited  
113-115 Fonthill Road  
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N4 3HH

### DIRECTORS OF THE GENERAL PARTNER:

- Parveen Bird
- Stephen Howard
- Danyal Sattar

### MANAGER:

Big Issue Invest Fund Management Ltd  
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Britain  
N4 3HH

### DIRECTORS OF THE MANAGER:

- Pete Flynn (Chair)
- Parveen Bird
- John Gilligan
- Danyal Sattar
- Melanie Tillotson

Limited Partnership Registration Number: LP016824

### REGISTERED OFFICE:

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